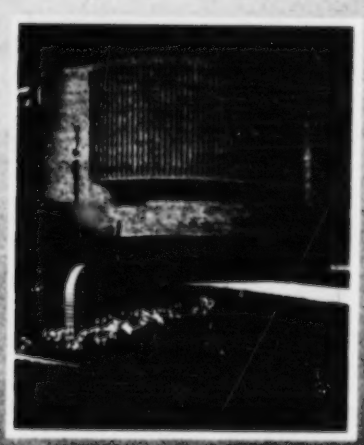

THE CITY OF

St. Albert

THE CITY OF ST. ALBERT

CITY COUNCIL

Mayor R. Fowler

Alderman R. Gibbon
Alderman G. Manegre
Alderman M. Plain
Alderman A. Ratchinsky
Alderman P. Smith-Paul
Alderman R. Throndson

CIVIC ADMINISTRATION

City Manager	D. Corrigan
City Clerk	F. Daniel
City Solicitor	S. Brown
Director of Administrative Services	J. Fleming
Director of Community Services	G. Todd
Director of Engineering Services	J. Schnablegger
Director of Finance	N. Van Wyk
Director of Planning Services	W. Gordon
Fire Chief	J. Cameron
S/Sgt. R.C.M.P.	W. Morley

City Auditors	Deloitte Haskins & Sells
City Bankers	Canadian Imperial Bank of Commerce

THE CITY OF ST. ALBERT - "THE SECRET IS OUT"

The City of St. Albert is an exclusive residential community nestled among the treed and rolling hills along the Sturgeon River Valley 5 km northwest of Edmonton. The lushly landscaped neighborhoods, parklands and walkways complement the serenity of the natural scenery. Generous additions of trees planted along boulevards and medians by the City complete the scenic surroundings. All of the aesthetics, the large residential lots and the custom designed homes have earned St. Albert a reputation as a very desirable residential community. St. Albertans boast a very active community life. The extensive walkway and bike path systems are frequented by bicycles, joggers and strollers in the summer months and by cross country skiers in the winter. Recreation facilities include 8 tennis court sites; 3 indoor hockey arenas and 10 outdoor skating rinks; a curling rink; an indoor and outdoor swimming pool; 35 baseball diamonds; 45 sportsfields for soccer, football and rugby and a variety of clubhouses, fitness centres and facilities to accommodate raquet sports, aerobics, gymnastics, dance and much more. Tot lots and adventurous playgrounds are only minutes away from every household and safely accessible. Three golf courses are located less than 5 minutes from the City.

For the culturally active, there are year round programs in St. Albert that more than satisfy the varied interests of young and old alike. Children's theatre productions by children, arts and craft guilds from pottery to weaving, and other artisans of all sorts share in the delight of easy access to facilities and programs for the beginner or expert.

Much of the cultural programming, activities and exhibitions are initiated within St. Albert Place. The magnificent brick and glass structure designed by the famed architect Douglas Cardinal, stretches along the southbank of the Sturgeon River Valley and provides St. Albert with one of the most unique civic/cultural centres in North America. It houses a 35,000 sq. ft. library, a 529 seat performing arts theatre, a museum, four arts and crafts studios, an art exhibition area, a local artisan gift shop and the offices of the civic administration.

All the modern community amenities, special interest features, and cultural and recreational activities in St. Albert today give much promise for its future. However, St. Albert residents and community groups maintain a strong and continual link to the history of St. Albert.

St. Albert is Alberta's oldest community. It was founded in 1861 by Father Albert Lacombe and Bishop Alexander Tache, and the original mission built on the site that year remains standing today as a Provincial Historical Site and Alberta's oldest standing church. Located on top of Mission Hill in St. Albert, overlooking the Sturgeon River Valley, the chapel and the neighboring Bishop's residence provide a prominent reminder of St. Albert's heritage, progress and growth.

The community pride exists throughout City Council, civic administration and public works and extends to the community and business groups. The Mayor and City Council welcome public participation in the City business and encourage creativity and innovation from the civic administration. The success of this municipal management philosophy has gained the City of St. Albert nine national awards in the last five years for innovative and professional services to their community and residents. Strict planning and development guidelines enhanced by diligent maintenance programs of St. Albert neighborhoods, parks, facilities and services are largely carried out by St. Albert civic employees who, as residents also, are committed to the community concern for the local quality of life St. Albert proudly offers.

Annual events such as the Farmers' Market, Festival of the Arts, Playdium, Rainmaker Rodeo, RCMP/Kinsmen Celebrity Weekend and the St. Albert Trade and Leisure Show reflect the ongoing community involvement that crosses the parameters of citizen/civic employee/businessmen and illustrates the effectiveness of the collective community spirit.

Many negative myths have prevailed about St. Albert despite its dynamic development over the last decade. But the "Secret is Out". St. Albert is easily accessible and a very vibrant city. Five major shopping areas offer a broad selection of national and local retail outlets.

Most residents of St. Albert will say they can't imagine wanting to live anywhere else in the greater Edmonton area, and many of their guests would like to live in St. Albert too! In fact, over the past economic recession and decline in residential growth throughout Alberta, St. Albert has continued to grow each year, giving evidence to its position as the prime move-up community in the region.

ST. ALBERT PLACE
5 ST. ANNE STREET
ST. ALBERT, ALBERTA
CANADA T8N 3Z9
(403) 459-1500

THE CITY OF St. Albert

May 17, 1988

Council of the City of St. Albert

Mayor Fowler and Aldermen:

It is my privilege to present to you the Annual Financial Report of the City of St. Albert for the year ended December 31, 1987. The statements included herein represent a report on the stewardship of the City's operations - namely, the provision of services to the Citizens of St. Albert.

This report includes the consolidated financial statements of all municipal operations, as well as separate statements for the St. Albert Public Library Board and the Musée Héritage Museum Board. In addition, a summary of interesting aspects describing the City of St. Albert has been reproduced in this publication.

The co-operation and assistance received from all Departments and their staffs and particularly the staff of the Finance Department in preparing this report, is gratefully appreciated. I also extend thanks to the City's Auditors for the professional and courteous manner in which their duties were carried out.

Yours truly,

Norbert J. Van Wyk, CMA
Director of Finance

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Deloitte
Haskins + Sells

2000 Manulife Place
10180 - 101 Street
Edmonton, Alberta T5J 4E4
(403) 421-3611
Fax: (403) 421-3782

AUDITORS' REPORT

To the Mayor and Members of Council of
The City of St. Albert:

We have examined the consolidated balance sheet of the City of St. Albert as at December 31, 1987 and the consolidated statements of operating revenues and expenditures, allowances, reserves, equity in fixed assets, operating surplus, and capital finances acquired and finances applied for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the City of St. Albert at December 31, 1987 and the results of its operations and the changes in capital financing for the year then ended in accordance with the disclosed basis of accounting described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Chartered Accountants

April 8, 1988

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1987
(In 000's)

	1987	1986
ASSETS		
CURRENT ASSETS		
Cash on Hand and on Deposit	$ 193	$ 212
Accounts Receivable (Note 2)	2,411	4,444
Investments, Loans, Advances	10,230	10,178
Inventories		
Land for Resale (Note 3)	15,117	14,237
Other (Tangible)	544	502
	28,495	29,573
NON CURRENT ASSETS		
Fixed Assets (net)	125,097	119,822
Administered Trust Accounts	110	106
Deferred Expenses	147	161
TOTAL ASSETS	$153,849	$149,662
LIABILITIES		
CURRENT LIABILITIES		
Short Term Loans and Overdrafts	$ 2,968	$ 2,892
Accounts Payable	1,675	2,423
Other Liabilities		
Administered Trust Liabilities	110	106
Deferred Revenue	950	1,162
Current Portion of Long Term Debt	1,264	1,033
	6,967	8,616
LONG TERM DEBT, LESS CURRENT PORTION (Note 4)	39,223	39,686
	46,190	47,302
EQUITY		
Allowances for Operating Functions	15	5
Reserves for Operating Functions	7,268	7,425
Reserves for Capital Functions	10,164	9,931
Equity in Fixed Assets	89,260	84,280
Net Accumulated Surplus		
Operations	653	324
Utilities	299	395
	107,659	102,360
TOTAL LIABILITIES & EQUITY	$153,849	$149,662

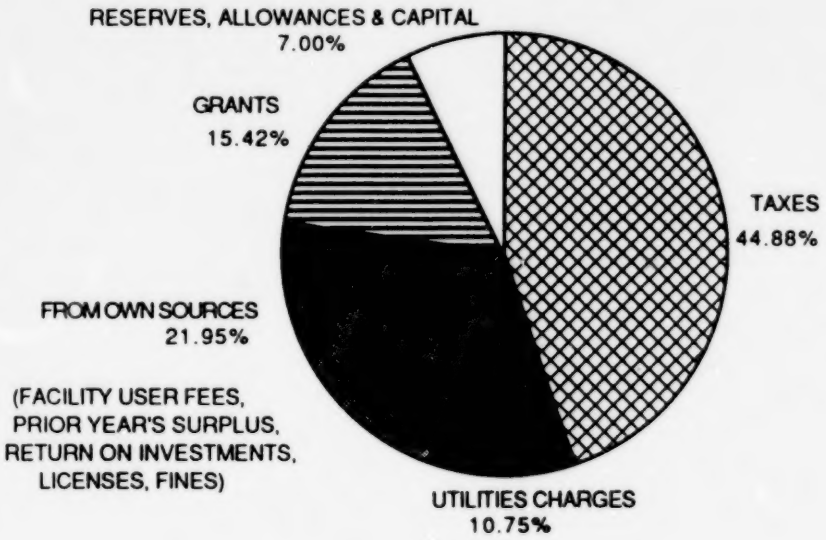
CONSOLIDATED STATEMENT OF OPERATING REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 1987
(In 000's)

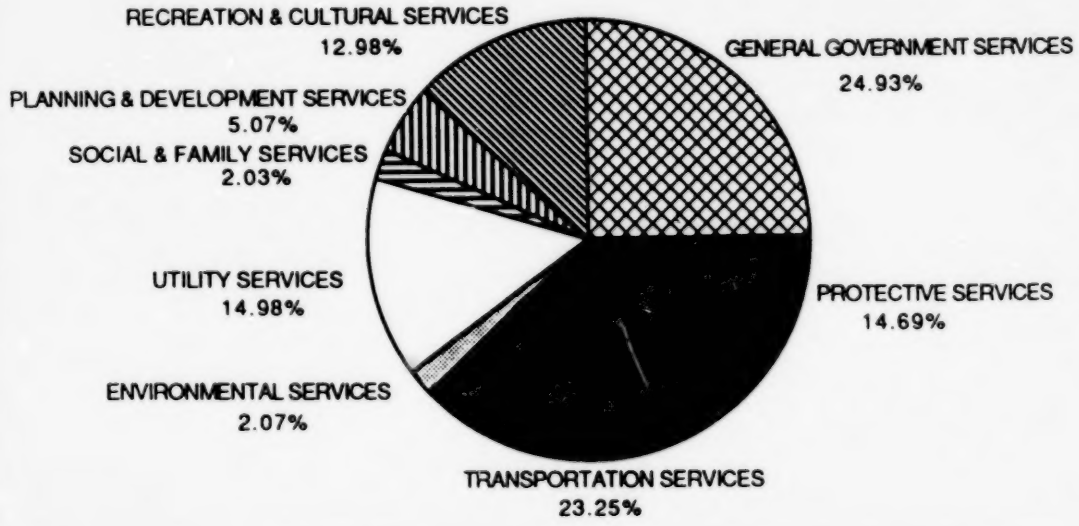
	1987 ACTUAL	1986 ACTUAL
REVENUES		
Taxes	$15,468	$14,768
Utilities Charges	3,706	3,616
Own Sources	7,567	7,746
Grants	5,316	5,319
Reserves, Allowances & Capital Sources	2,412	3,145
Total Municipal	34,469	34,594
School Supplementary & School Foundation Requisitions	9,543	8,708
TOTAL REVENUES	$44,012	$43,302
EXPENDITURES		
General Government Services	$ 8,455	$ 9,281
Protective Services	4,981	4,744
Transportation Services	7,883	8,142
Environmental Services	704	755
Utility Services	5,081	4,913
Social & Family Services	687	658
Planning & Development Services	1,719	1,408
Recreation & Cultural Services	4,402	4,269
Total Municipal	33,912	34,170
School Supplementary & School Foundation Requisitions	9,543	8,708
TOTAL EXPENDITURES	$43,455	$42,878
NET OPERATING SURPLUS FOR YEAR	$ 557	$ 424

CONSOLIDATED STATEMENT OF OPERATING REVENUES AND EXPENDITURES

1987 REVENUES



1987 EXPENDITURES



CONSOLIDATED STATEMENTS OF ALLOWANCES & RESERVES

STATEMENT OF ALLOWANCES
FOR THE YEAR ENDED DECEMBER 31, 1987
(In 000's)

	Balance, Beginning of the Year	Contributions	Reductions	Balance, End of the Year
Operating Allowances				
Total Municipal	$ 5	$ 40	$ 30	$ 15

STATEMENT OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 1987
(In 000's)

	Balance, Beginning of the Year	Contributions	Reductions	Balance, End of the Year
Operating Reserves				
Municipal (General)	$2,233	$ 585	$ 711	$2,107
Utilities	3,704	417	608	3,513
Cemetery	5	2	-	7
Transit	1,476	157	-	1,633
Museum	7	2	1	8
TOTAL	$7,425	$1,163	$1,320	$7,268
Capital Reserves				
Municipal (General)	$7,794	$3,746	$3,846	$ 7,694
Utilities	1,418	408	47	1,779
Land	643	198	249	592
Parking	76	23	-	99
TOTAL	$9,931	$4,375	$4,142	$10,164

CONSOLIDATED STATEMENTS OF EQUITY IN FIXED ASSETS & OPERATING SURPLUS

STATEMENT OF EQUITY IN FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1987
(In 000's)

	1987	1986
Balance, Beginning of the Year	$84,280	$76,902
ADD:		
Preceding Year Net Underfinanced Expenditures	$ 9,060	$ 8,889
Debenture Principal Repayments	952	722
Long Term Debt Principal Repayment	81	71
Asset Additions	7,380	8,659
	$17,473	$18,341
DEDUCT:		
Debenture Financing	801	909
Assets Retired	1,171	945
Asset Valuation Allowance	54	49
Net Underfinanced Expenditures at Year End	10,467	9,060
	$12,493	$10,963
Balance, End of the Year	$89,260	$84,280

STATEMENT OF OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 1987
(In 000's)

	Municipal	Utilities	1987	1986
Balance, Beginning of the Year	$ 324	$ 395	$ 719	$ 568
Transfer to Current Revenue	(324)	-	(324)	(272)
Net Operating Surplus (Deficit) for Year	653	(96)	557	423
Balance, End of the Year	$ 653	$ 299	$ 952	$ 719

CONSOLIDATED STATEMENT OF CAPITAL FINANCES ACQUIRED AND FINANCES APPLIED

FOR THE YEAR ENDED DECEMBER 31, 1987
(In 000's)

	1987	1986
Capital Financing Under Requirements, Beginning of the Year	$ (9,060)	$ (8,889)
FINANCES ACQUIRED		
Debentures	801	910
Return on Investments	925	1,190
Revenue from Own Sources	59	59
Sale of Fixed Assets	557	550
Provincial Capital Grants	2,509	2,513
From Own Municipality Boards or Agencies	-	6
Drawn from Capital Reserves	4,142	7,894
Contributed from Operations	1,145	870
Developers Agreements and Levies	754	969
Non-Government Grants and Other	32	74
Total Finances Acquired	10,924	15,035
FINANCES APPLIED		
Purchase of Fixed Assets		
Engineering Structures	3,214	5,111
Buildings	310	2,314
Machinery and Equipment	509	694
Land Held for Municipal Purposes	538	111
Vehicles	236	429
Industrial and Commercial Land for Resale	2,021	135
Contributed to Operations	1,061	1,246
Additions to Capital Reserves	4,375	4,955
Other Capital Items	67	211
Total Finances Applied	12,331	15,206
Capital Financing Under Requirements, End of the Year	$ (10,467)	$ (9,060)

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted for municipalities and include the following policies.

Basis of Presentation

The City organizes and operates its accounting system to segregate programs which reflect the net costs of carrying on a specific activity. These programs are organized within specific funds and the funds operate as separate accountable entites of the City. Revenues which are not directly related to any specific program are reflected in General Services.

Land Inventory

Land Inventory consists of land held for City purposes and industrial and commercial land for resale. Land held for City purposes is recorded at cost. Land for sale is carried at original cost plus servicing and carrying charges. To December 31,1983, carrying charges included interest on debenture debt and General Capital Fund interest allocated to the Heritage Fund Capital Reserve.

Inventory of Supplies

Inventories consist mainly of parts and road maintenance material and are stated at cost.

Investments

Investments are stated at cost.

Fixed Assets

Fixed assets are stated at cost. Funds for the acquisition of fixed assets are provided primarily from current operations, government grants and debentures. Acquisitions funded from current operations are recorded as expenditures in the year acquired. No depreciation is recorded on fixed assets except in the Water Fund where depreciation is charged to equity at an amount equal to the original schedule of debenture principal repayments.

Debenture Debt

Debenture debt principal and interest payments are recorded as expenditures in the operating revenue and expenditure statements. Principal repayments on debenture debt are added to equity in fixed assets in the year of repayment. Accrued interest is not recorded.

NOTES TO THE FINANCIAL STATEMENTS

Reserves and Allowances

Reserves and allowances are represented by amounts which have been allocated for future municipal operating and capital expenditures. Reserve additions originate primarily from development levies, the sale of land, internal interest allocations and various grants. Reserve amounts are expended as approved by City Council.

Internal Interest Allocations - Reserve Funds

Certain balances of reserve funds are invested internally in the General Fund. Interest on these investments is allocated to the reserve funds through the Statements of Capital Financing and is also reported as an operating expenditure under General Services on the Statement of Operating Revenues and Expenditures of the General Fund.

Holiday Pay

Holiday pay for all permanent employees is recorded as an expenditure when paid with no accrual for unpaid holiday pay.

2. ACCOUNTS RECEIVABLE (TAXES RECEIVABLE)

Included in accounts receivable is an amount of $445,264 which represents taxes outstanding on fourteen (14) of thirty-two (32) properties which were offered for tax sale on April 2, 1987. No bids were received; however, tax arrears on eighteen (18) of these properties were paid subsequent to the public auction. On April 2, 1988 the City undertook to acquire title to the fourteen (14) remaining properties.

Also included are outstanding property taxes in the amount of $24,583 on one (1) property which was offered for public auction on April 5, 1988.

3. INDUSTRIAL AND COMMERCIAL LAND FOR RESALE

Included in land inventory is an amount of $14,923,800 representing industrial and commercial land for resale. This land is carried at original cost plus land servicing and carrying charges. An analysis of current market values indicates that the net realizable value at December 31, 1987 is approximately $5,700,000 below the carrying cost of the land at the same date.

4. LONG TERM DEBT

Long term debt includes debentures of $40,486,655 predominantly with Alberta Municipal Financing Corporation. The debentures are payable in annual amounts to the year 2009.

NOTES TO THE FINANCIAL STATEMENTS

4. LONG TERM DEBT (continued)

Debenture principal and interest amounts due in each of the next five years are as follows:

	PRINCIPAL (000's)	INTEREST (000's)	TOTAL (000's)
1988	$1,264	$4,949	$6,213
1989	1,376	4,659	6,035
1990	1,513	4,506	6,019
1991	1,676	4,337	6,013
1992	1,721	4,148	5,869

The Alberta Municipal Financing Corporation has reduced interest rates on outstanding loans from a maximum of 18.25% to a maximum of 14% effective January 1, 1987 with a further reduction to a maximum of 12.50% per annum effective January 1, 1988.

Debenture interest is payable, before Provincial subsidy, at rates ranging from 5.25% to 14% per annum.

The Province of Alberta currently provides an interest subsidy in the form of an interest subsidization grant on debenture issues as follows:

Rebates continue for the full duration of all debt issues to March 31, 1982 as follows:

Period of Debenture Issue	Maximum Interest Rate Payable After Provincial Subsidy
January 1/74 - March 31/80	8%
April 1/80 - March 26/81	9%
March 27/81 - March 31/82	11%

Debentures approved April 1, 1982 or later are eligible for subsidy for the first five years only as follows:

Period of Debenture Issue	Maximum Interest Rate Payable After Provincial Subsidy
April 1/82 - March 28/83	11%

Debentures approved after March 28, 1983 are not eligible for subsidies.

NOTES TO THE FINANCIAL STATEMENTS

5. PRIOR YEAR'S SURPLUS

The General Operating Fund 1986 year-end surplus amounting to $309,675 was utilized in reducing the 1987 Tax Levy.

6. COMMITMENT

At December 31, 1987 the total amount of unpaid holiday pay for employees not recorded in the financial statement was $562,000.

7. SUBSEQUENT EVENT

There were no bids received on the property offered for public auction held April 5, 1988 referred to in Note 2.

8. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

STATISTICAL SUMMARY
(UNAUDITED)

1984 - 1987

	1987	1986	1985	1984
Population	37,008	36,453	35,897	35,529
Area - in Hectares	3,600	3,560	3,560	3,560
Building Permits				
$ Value	46,691,464	26,060,035	33,237,889	24,700,786
Number Issued	515	397	420	420
Assessment				
Total Taxable Assessment	729,529,410	709,041,060	523,026,220	511,465,737
Percentage of Total Assessment represented by:				
Residential Properties	80.1	79.8	80.0	79.9
Non-residential Properties	19.9	20.2	20.0	20.1
Rates of Taxation (Mills)				
Municipal	19.395	18.956 *	24.442	23.893
Education				
Public	11.738	10.889 *	13.726	13.125
Separate	12.245	11.568 *	14.412	13.726
Tax Collections				
Percentage of current taxes collected				
Residential - Property	98.8	98.3	97.1	98.6
Non-residential - Property	95.8	89.8	90.1	94.0
Business Taxes	95.7	93.7	93.7	92.8
Tax Arrears as a Percentage of Current Levy				
Residential - Property	1.46	1.94	3.96	2.90
Non-Residential - Property	15.24	41.11	28.06	16.27
Business Taxes	4.69	9.65	20.52	35.31
Long Term Debt				
Total Long Term Debt (Excluding Capital Lease)	40,408,272	40,515,341	40,372,961	41,024,413
Net Debt Per Capita	926.61	937.70	939.65	938.89
Percentage of Total Debt To be Retired				
Within 5 years	18.5	14.2	11.2	10.1
Within 10 years	45.3	38.8	33.5	30.5
Capital Expenditures				
Total Capital Expenditures	6,821,817	8,793,282	4,466,729	5,651,226
Capital Expenditures expressed as a percent				
Engineering Structures	47.1	58.1	49.6	55.7
Buildings	4.5	26.3	32.1	4.6
Machinery & Equipment	7.4	7.9	.4	2.0
Land for Municipal Use	7.9	1.3	11.5	33.9
Vehicle Additions	3.5	4.9	5.7	2.3
Other Assets	29.6	1.5	.7	1.5

Note

* The 1986 Mill Rates are lower than previous years due to a 1986 General Assessment.

Deloitte
Haskins + Sells

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10180 - 101 Street
Edmonton, Alberta T5J 4E4
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Fax (403) 421-3782

AUDITORS' REPORT

To the Members of the Board of the
St. Albert Public Library:

We have examined the balance sheet of the St. Albert Public Library as at December 31, 1987 and the statements of revenues and expenditures, operating surplus, expansion reserve, capital finances acquired and applied, and of equity in fixed assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Public Library as at December 31, 1987 and the results of its operations and the changes in capital financing for the year then ended in accordance with the basis of accounting described in Note 1 applied on a basis consistent with that of the preceding year.

Deloitte Haskins & Sells

Chartered Accountants

April 8, 1988

PUBLIC LIBRARY

BALANCE SHEET
AS AT DECEMBER 31, 1987

	1987 $	1986 $
ASSETS		
CURRENT ASSETS		
Cash on Hand	540	440
Accounts Receivable	425	7,128
Prepaid Expenses	1,326	1,574
Goods for Resale Inventory	4,623	3,842
	6,914	12,984
DEFERRED COMPUTERIZATION COSTS	-	35,516
FIXED ASSETS-EQUIPMENT	256,813	18,416
	263,727	66,916
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Due to General Operating Fund	216,242	22,952
Accounts Payable	16,508	22,439
Deferred Revenue	2,700	5,405
	235,450	50,796
EQUITY		
Operating Surplus (Deficit)	3,542	(2,296)
Equity in Fixed Assets	24,735	18,416
	28,277	16,120
	263,727	66,916

STATEMENT OF EXPANSION RESERVE
FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
Balance, Beginning of the Year	-	6,869
Transfer from Reserve	-	(6,869)
Balance, End of the Year	-	-

PUBLIC LIBRARY

STATEMENT OF OPERATING REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1987

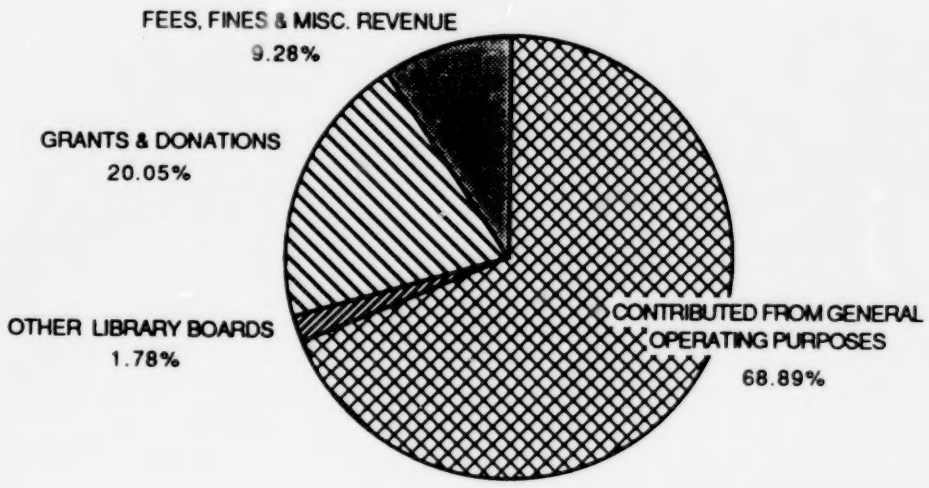
	1987 ACTUAL $	1987 BUDGET $	1986 ACTUAL $
REVENUES			
Library Fees, Fines and Miscellaneous Revenue	84,565	84,700	82,942
Other Library Boards	16,226	-	17,000
Federal Grants	11,599	14,600	40,145
Provincial Grants			
Library Grant	160,974	160,100	147,270
Works Grant	1,064	-	9,936
Drawn from Operating Reserves	-	-	6,869
Contributed from General Operating Fund	627,500	627,500	570,257
Donations	9,000	9,000	21
TOTAL REVENUES	910,928	895,900	874,440
EXPENDITURES			
Salaries, Wages and Benefits	616,546	597,800	586,673
Contracted and General Services	41,169	33,800	87,832
Materials, Goods, Supplies and Utilities	241,056	260,000	179,408
Transfer to Capital Fund - Equipment	6,319	2,000	18,416
Prior Year's Operating Deficit	2,296	2,300	4,407
TOTAL EXPENDITURES	907,386	895,900	876,736
NET OPERATING SURPLUS (DEFICIT) FOR THE YEAR	3,542	-	(2,296)

STATEMENT OF OPERATING SURPLUS (DEFICIT)
FOR THE YEAR ENDED DECEMBER 31, 1987

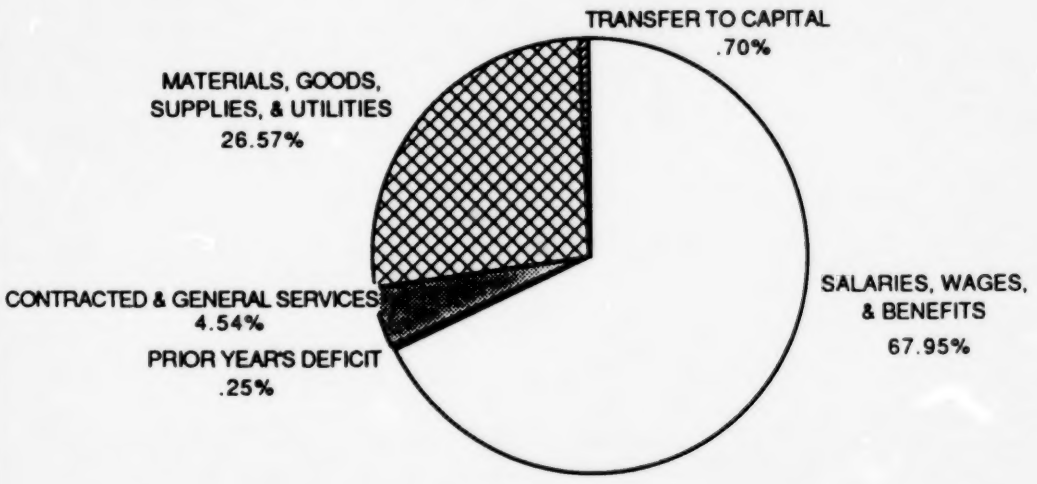
	1987 $	1986 $
Net Operating Deficit, Beginning of the Year	(2,296)	(4,407)
Transfer to Current Year Expenditure	2,296	4,407
Net Operating Surplus (Deficit) for the Year	3,542	(2,296)
Balance, End of the Year	3,542	(2,296)

PUBLIC LIBRARY

1987 REVENUES



1987 EXPENDITURES



PUBLIC LIBRARY

STATEMENT OF CAPITAL FINANCES ACQUIRED AND FINANCES APPLIED
FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
FINANCES ACQUIRED		
Contributed from Operations	6,319	18,416
Total Finances Acquired	6,319	18,416
FINANCES APPLIED		
Purchase of Fixed Assets Equipment Additions	238,397	18,416
Total Finances Applied	238,397	18,416
Capital Financing Under Requirements, End of Year	(232,078)	-

STATEMENT OF EQUITY IN FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
Balance, Beginning of Year	18,416	-
Add Asset Additions	238,397	18,416
Deduct Capital Financing Under Requirements End of Year	232,078	-
Balance, End of Year	24,735	18,416

PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1987

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with acccounting principles generally accepted for municipalities, and reflect the following policies:

Accounting Policy

The accrual basis of accounting is followed in the recording of transactions with the exception of fines and miscellaneous over the counter sales which are recorded on a cash basis.

Fixed Assets

Fixed assets are stated at cost. Funding for the Library computerization project will be from the City of St. Albert Reserve Funds. These funds are to be repaid to the General Operating Fund of the City of St. Albert over a five year period, commencing in 1988, at the prevailing interest rate charged for debenture financing by the Alberta Municipal Financing Corporation. Acquisitions funded from current operations are recorded as expenditures in the year acquired. No depreciation is recorded on fixed assets.

2. BUDGET FIGURES

The 1987 Budget figures which appear in the Statement of Revenues and Expenditures have not been audited.

PUBLIC LIBRARY

SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 ACTUAL $	1987 BUDGET $	1986 ACTUAL $
ADMINISTRATIVE SERVICES			
St. Albert Place Cost Allocation	103,600	103,600	100,598
Personnel Services - Regular	82,811	83,900	82,920
Personnel Services - Grant Programs	9,945	8,700	8,592
Periodicals	1,392	1,200	1,343
Program Expenses	894	800	1,832
Audit	1,000	1,000	1,000
Memberships	912	800	771
Telephone - Toll Charges	2,198	1,600	1,674
Operations - Other	23,428	28,300	26,950
Operations - Grant Programs	314	300	-
Transfer to Capital Fund - Equipment	6,319	2,000	12,065
Prior Year's Operating Deficit	2,296	2,300	4,407
TOTAL ADMINISTRATIVE SERVICES	235,109	234,500	242,152
ADULT SERVICES			
Personnel Services - Regular	86,725	86,200	81,505
Personnel Services - Grant Programs	24,919	9,000	-
Books	65,785	65,000	64,535
Periodicals and Newspapers	7,402	8,200	11,710
Audio Visual Materials	4,011	4,200	4,666
Program Expenses	1,515	1,500	1,354
Supplies	282	-	16
TOTAL ADULT SERVICES	190,639	174,100	163,786

PUBLIC LIBRARY

SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1987
- Continued -

	1987 ACTUAL $	1987 BUDGET $	1986 ACTUAL $
CHILDREN SERVICES			
Personnel Services - Regular	93,803	94,200	82,937
Personnel Services - Grant Programs	5,723	5,700	9,841
Books	34,610	34,500	29,100
Periodicals and Newspapers	594	700	683
Audio Visual Materials	705	1,600	1,984
Program Expenses	3,023	3,300	3,935
Operations - Other	493	700	533
TOTAL CHILDREN SERVICES	138,951	140,700	129,013
CIRCULATION SERVICES			
Personnel Services - Regular	167,966	164,300	161,773
Personnel Services - Grant Programs	3,774	3,800	-
Supplies	4,562	4,500	7,901
TOTAL CIRCULATION SERVICES	176,302	172,600	169,674
TECHNICAL SERVICES			
Personnel Services - Regular	125,808	126,100	119,177
Personnel Services - Grant Programs	15,073	15,900	26,333
Freight and Processing	520	500	2,613
Periodicals and Newspapers	3,418	3,000	5,543
Postage	1,500	1,500	3,349
Equipment	460	500	1,164
Operations - Other	19,606	24,600	5,046
Operations - Grant Programs	-	1,900	2,535
Transfer to Capital Fund - Equipment	-	-	6,351
TOTAL TECHNICAL SERVICES	166,385	174,000	172,111
TOTAL EXPENDITURES	907,386	895,900	876,736

Deloitte
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AUDITORS' REPORT

To the Members of the St. Albert Museum
and Historical Sites Board of Management:

We have examined the balance sheet of the Musee Heritage Museum as at December 31, 1987 and the statements of revenues and expenditures, reserves, operating surplus, capital finances acquired and applied, and of equity in fixed assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Musee Heritage Museum as at December 31, 1987 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting described in Note 1 applied on a basis consistent with that of the preceding year.

Deloitte Haskins & Sells

Chartered Accountants

April 8, 1988

MUSEE HERITAGE MUSEUM

BALANCE SHEET

AS AT DECEMBER 31, 1987

ASSETS

	1987 $	1986 $
CURRENT ASSETS		
Cash on Hand	200	200
Accounts Receivable	1,003	-
Due from General Operating Fund	18,225	45,732
Prepaid Expenses	6,070	1,257
	25,498	47,189
FIXED ASSETS - EQUIPMENT	8,046	-
	33,544	47,189

LIABILITIES, OPERATING SURPLUS AND RESERVES

CURRENT LIABILITIES		
Trade Accounts Payable	2,088	1,683
Deferred Revenue	8,515	21,219
	10,603	22,902
EQUITY		
Artifact Acquisition and Exhibition Reserve	8,332	7,332
Surplus	6,563	16,955
Equity in Fixed Assets	8,046	-
	22,941	24,287
	33,544	47,189

STATEMENT OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 1987

ARTIFACT ACQUISITION RESERVE

	1987 $	1986 $
Balance, Beginning of the Year	2,503	3,000
Transfer to Reserve	2,000	2,000
Transfer from Reserve	(1,000)	(2,497)
Balance, End of the Year	3,503	2,503

EXHIBITION RESERVE

Balance, Beginning of the Year	4,829	5,000
Transfer from Reserve	-	(171)
Balance, End of the Year	4,829	4,829
TOTAL RESERVES	8,332	7,332

MUSEE HERITAGE MUSEUM

STATEMENT OF OPERATING REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1987

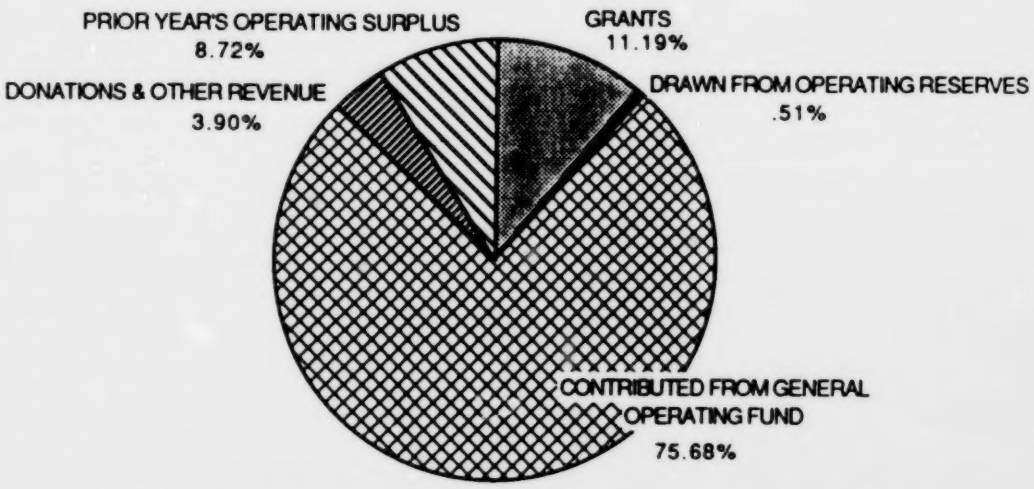
	1987 ACTUAL $	1987 BUDGET $	1986 ACTUAL $
REVENUES			
Federal Grants	-	2,700	-
Provincial Grants	16,378	24,500	18,691
A.M.A. Grants	5,391	5,400	9,517
Drawn from Operating Reserves	1,000	4,800	2,668
Contributed from General Operating Fund	147,200	147,200	139,509
Donations	7,533	16,300	4,830
Other Revenue	53	100	840
Prior Year's Operating Surplus	16,955	17,000	18,312
TOTAL REVENUES	194,510	218,000	194,367
EXPENDITURES			
Salaries, Wages and Benefits	110,433	112,000	101,896
Contracted and General Services	24,220	34,700	34,377
Materials, Goods, Supplies and Utilities	42,620	60,200	36,777
Transfer to Operating Reserves	2,000	2,000	2,000
Transfer to Capital Fund-Equipment	8,046	8,100	-
Other Transactions, Discounts and Adjustments	628	1,000	2,362
TOTAL EXPENDITURES	187,947	218,000	177,412
NET OPERATING SURPLUS FOR THE YEAR	6,563	-	16,955

STATEMENT OF OPERATING SURPLUS
AS AT DECEMBER 31, 1987

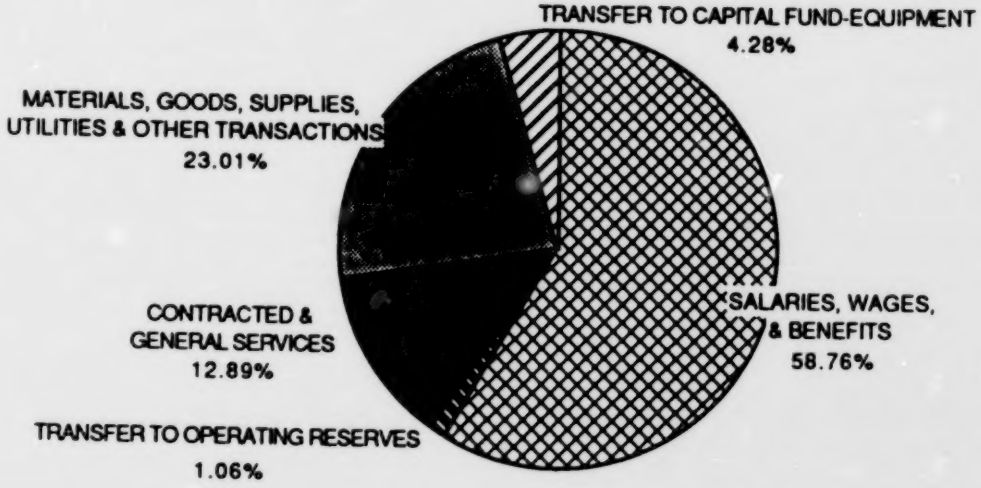
	1987 $	1986 $
Balance, Beginning of the Year	16,955	18,312
Transfer to Current Year Revenue	(16,955)	(18,312)
Net Operating Surplus for the Year	6,563	16,955
Balance, End of the Year	6,563	16,955

MUSEE HERITAGE MUSEUM

1987 REVENUES



1987 EXPENDITURES



MUSEE HERITAGE MUSEUM

STATEMENT OF CAPITAL FINANCES ACQUIRED AND FINANCES APPLIED
FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
FINANCES ACQUIRED		
Contributed from Operations	8,046	-
Total Finances Acquired	8,046	-
FINANCES APPLIED		
Purchase of Fixed Assets Machines, Equipment Additions	8,046	-
Total Finances Applied	8,046	-

STATEMENT OF EQUITY IN FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 $	1986 $
Asset Additions	8,046	-
Balance, End of the Year	8,046	-

MUSEE HERITAGE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1987

1. SIGNIFICANT ACCOUNTING POLICIES

The Financial statements are prepared in accordance with accounting principles generally accepted for municipalities, and reflect the following policies:

Accounting Policy

The accrual basis of accounting is followed in the recording of transactions with the exception of miscellaneous over the counter sales which are recorded on a cash basis.

Fixed Assets

Fixed assets are stated at cost. Acquisitions funded from current operations are recorded as expenditures in the year acquired. No depreciation is recorded on fixed assets.

2. ARTIFACT ACQUISITION AND EXHIBITION RESERVES

The Artifact Acquisition Reserve is to be utilized for future artifact acquisitions and the Exhibition Reserve is to be utilized to fund future exhibits.

3. LEASE COMMITMENT

The Museum has a lease on warehouse space, expiring on October 31, 1990, at an annual cost of $7,000.

4. BUDGET FIGURES

The 1987 Budget figures which appear in the Statement of Revenues and Expenditures have not been audited.